जाएगा। सुरंग के निर्माण की सम्भाव्यता के अध्ययन पर 1.55 करोड़ रुपए का अनुमानित खर्च आएगा। इसके अलावा सुरंग के मुख्य द्वार तक पहुंचने के लिए सड़क के निर्माण में और इस सुरंग के लिए जगह-जगह बोरिंग करने के लिए आने-जाने का रास्ता बनाने पर 3.09 करोड़ रुपए खर्च हो चुके हैं।

Report of Austerity Committee of N.D.C.

*252. SHRI KRISHAN LAL SHARMA: Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether the Austerity Committee of the National Development Council has submitted its report to Government;

(b) if so, main recommendations of the Committee;

(c) the recommendations Government have accepted; and

(d) the action being taken thereof?

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI GIRIDHAR GOMANGO): (a) The NDC Committee on Austerity already submitted its Report to the Chairman of the National Development Council.

(b) The recommendations of the Committee contained in Chapter V of the Report are annexed as Statement (*See* below)

(c) and (d) The National Development Council at its meeting held on 5.4.1993 considered the Report of the NDC Committee on Austerity. There was general endorsement of the recommendations of the NDC Committee. It was however, felt that there was a need for wider consultation. It was also decided that this exercise could be undertaken by the Planning Commission. The Council further decided to set up NDC Committee on Power to examine, *inter alia*, measures to make SEBs economically viable by recasting tariffs, improving efficiency and considering delinking of distribution from generation. The Planning Commission has initiated discussions with the political parties and the trade unions for wider consultation. The setting up of the NDC Committee on Power is in progress.

Statement

CHAPTER V

RECOMMENDATIONS

The Eighth Plan envisages a total public sector outlay of Rs. 434,100 crores in 991-92 prices. The outlay of the States as been fixed at Rs. 179,985 crores. In 991-92, latest estimates show that the balance from current revenue of States alone was (—) Rs. 2940 crores. A substantial improvement in BCR amounting to almost an annual average of Rs. 7000 crores for the Centre and States taken together in the Eighth Plan is required. This will be possible only if determined efforts are made by the Centre and States to raise resources an cut expenditures. In this task both the Centre and the States have to work together and it is necessary to ensure that the policies pursued by the Centre do not in any way come in the way of the State either raising the necessary resources or cutting their expenditures. In this context, particular reference must be made to the need for pursuing same policies by the Centre and the States on the revision of pay scales and D.A. The Special Category States, in view of their special financial and other problems may not be able to fulfil strictly all the recommendations of the Committee. However, they should abide by the sprit of the recommendations of the Committee which are given below:—

(i) There is a paramount need to bring down the ratio of non-Plan revenue expenditure to total revenues of States. From the base year all States should bring down this ratio on an average by 5 percentage points during the Eighth Plan period. Such a reduction is implict in the plan size of States already agreed to with the Planning Commission. Special Category States

which have been recently formed may however bring down this ratio by at least 3 percentage points.

(2) The Budget Estimates of the States should provide separate statements on Ministry/Department-wise staff strength and expenditure on salaries and allowances to total non-Plan expenditure should also be indicated. There should be no general expansion in employment in the Government sector in the Eighth Plan period.

(3) For a period of one year there should be no further release of additional D.A. both at the Centre and in States. The initiative in this regard must be taken by the Centre since the State Governments follow the Central pattern. This policy relating to D.A. should also cover public sector undertakings as well as organised private sector. There should be no pay revision in Government during this period. All these steps must be linked to a national wage and income (including dividend) policy. Such extraordinary steps are necessary to bring the fiscal system back to balance. At the end of the year the position can be reviewed. There should also be an examination of the D.A. formula that is currently in operation. No bonus should be paid to Government servants. There shou'd be no encashment of surrendered earned leave except at the time of superannuation. Leave travel concessions other than home travels also should be discontinued.

(4) A review of the scale, content and rationale of subsidies must by undertaken in order to reduce their overall level. Besides revamping the public distribution system, user charges must be raised in the case of electricity tariffs, irrigation rates, bus fares and tution fees for higher education.

In the case of public distribution system higher income brackets such as income tax payers should be excluded from its purview. In the rural areas, only small and marginal farmers and landless labourers should be entitled.

In the case of higher education that is, education above higher secondary level, fees should be revised, but concessions can be offered based on economic criteria. Some additional concessions can however, be offered in relation of higher education for women.

(5) In the case of public sector enterprises which are commercial and manufacturing in character no budgetary support should be provided in the form of subsidies or to make up losses.

(6) It is necessary to simplify the existing sales tax structure by classifying them into 3 or 4 homogenous groups and by eliminating numerous concessions and exemptions.

(7) Ad-valorem duties should be adopted wherever it is feasible.

(8) Sales tax rate should be uniform on a national basis. Concessions and incentives offered to attract trade and industry should also be uniform and exceptions may however be made in the case of extremely industrially backward areas.

(9) More resources should be raised through land revenues and cess. Revision of rates should be undertaken particularly by States where no version has been made in the recent period. The small and marginal farmers may however be exempted from such a levy.

(10) Draft guidelines should be formulated and the necessary enabling legislation should be introduced in the Parliament in respect of consignment tax preferably within three months but not exceeding six months.

(11) As a measure of raising resources for the expansion and modernisation of the public sector, a selective scheme of disinvestment of shares in respect of public sector undertakings should be adopted by the State Governments.

(12) In order to reduce subsidy in the irrigation Sector in regard to supply of water, it is necessary to raise water rates periodically to cover adequately the maintenance costs. Efforts also should be made to make optimum use of water resources and collect dues regularly from the consumers.

(13) In the case of State Electricity Boards efforts should be made to realise a 3 per cent return on net worth by suitable tariff adjustments, economy in administration and by proper maintenance of plant and machinery. A minimum tariff of 50 paise per unit for the use of energy in agricultural sector as agreed to at the Power Ministers' Conference should be implemented immediately. A collective action by all States in this regard is required.

(14) It is necessary that the State Transport Corporations are put on a sound economic footing and, therefore, a 5 per cent return should be aimed at which can be achieved through appropriate tariff revisions, better fleet utilisation and reduction in administrative expenditure.

(15) Loans given to States against net collections of small savings should be treated as loans in perpetuity*.

(16) The interest rate charged from the States on IDA loan may be revised taking into account the very low interest rate charged on these loans by the World Bank and the likely burden on the Centre due to depreciation in exchange rate.

(17) Incentives in the form of additional financial flows should be provided to those States which show better fiscal efficiency and management.

*Dr. Rangarajan felt that this is an issue that should be examined by the Finance Commission.

Proposal for starting a rubber industry in Kanyakumari

*253. SHRI S. AUSTIN: Will the PRIME MINISTER be pleased to state:

(a) whether there is any proposal from Tamil Nadu Government to start a Rubber Industry in Kanyakumari pending with Government; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY) (SMT. KRISHNA SAHI): (a) No, Sir.

(b) Does not arise.

Decline in percentage of rural population below poverty line

@*254. SHRIMATI KAMLA SINHA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the percentage of population below the poverty line in rural area has dropped to 33.4 in 1987-88 from 51.2 in 1977-78;

(b) whether Government aim to achieve full rural employment by the end of the century; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (DEPARTMENT OF RURAL DEVELOPMENT) (SHRI UTTAMBHAI H. PATEL): (a) Yes, Sir. Based on the quinquennial surveys of household consumption expenditure conducted by the National Sample Survey Organisation (NSSO), it has been estimated that the percentage of population below the poverty line in the rural areas has dropped from 51.2 in 1977-78 to 33.4 in 1987-88.